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State Department review completed

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*MCG*



DIRECTORATE OF  
INTELLIGENCE

## MEMORANDUM

### *The Situation in Vietnam*

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Information as of 1600  
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HIGHLIGHTS

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I. The Military Situation in South Vietnam:  
No major engagements were reported to have taken place in South Vietnam on 1 and 2 July (Paras. 1-2).

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II. Political Developments in South Vietnam:

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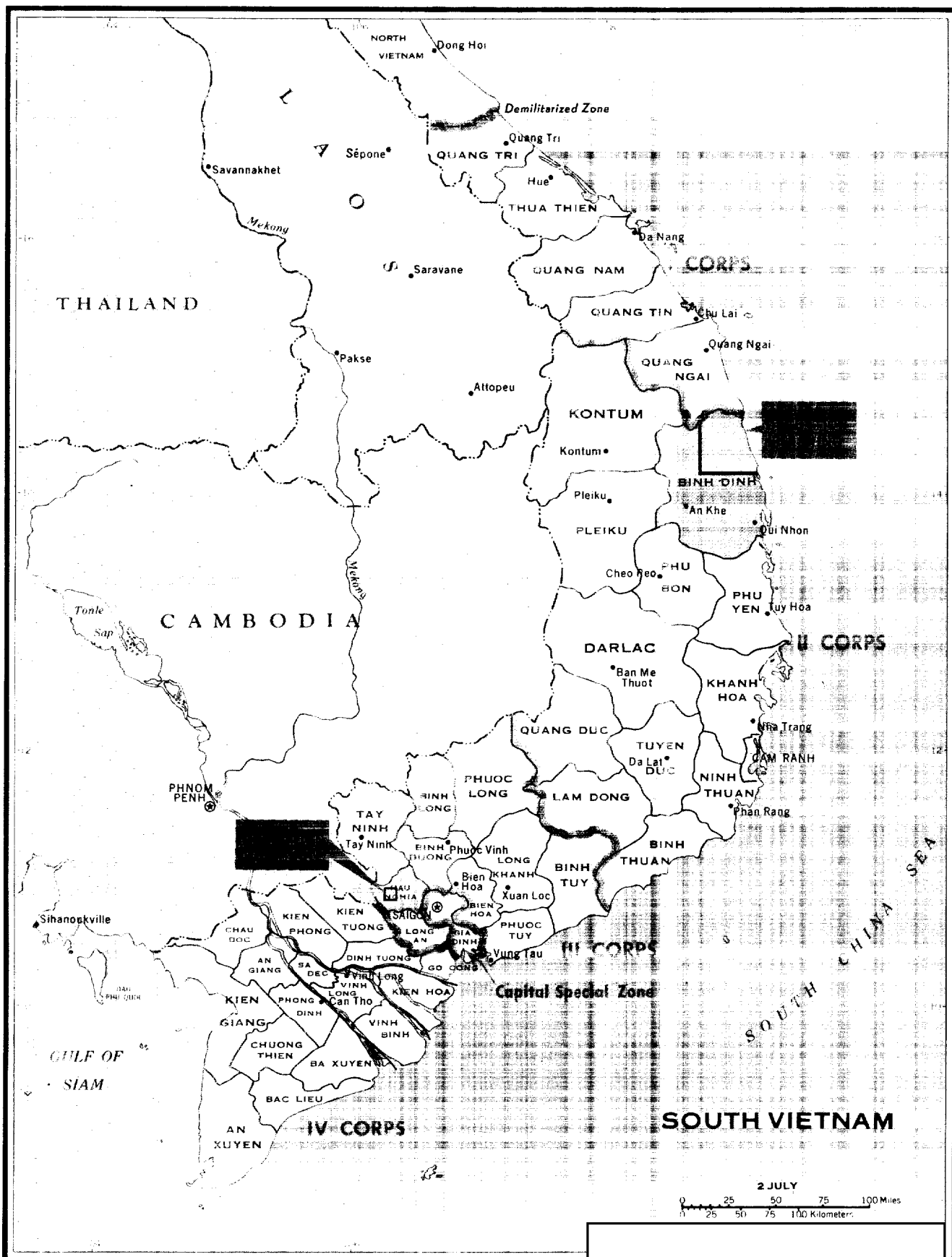
Announcement of the Thieu-Ky slate has caused some disarray in the camps of civilian opponents (Paras. 4-6). The Provisional National Assembly has accepted "Big" Minh's candidacy for the presidency (Paras. 7-8).

III. Military Developments in North Vietnam:  
The heavy losses sustained by the North Vietnamese Air Force (NVAF) in recent months may have prompted the DRV to reduce the role of MIG fighters in its air defense system--at least until such time as they are able to oppose more effectively the US bombing program (Paras. 1-7).

IV. Other Communist Military Developments:  
There is nothing of significance to report.

V. Communist Political Developments: There is nothing of significance to report.

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I. THE MILITARY SITUATION IN SOUTH VIETNAM

1. There were no reports of major fighting in South Vietnam over the weekend. A company of the First Air Cavalry Division involved in Operation PERSHING engaged an estimated enemy platoon on 2 July in a well-fortified village near Bong Son in Binh Dinh Province. Reinforcements and tactical air strikes were brought in and 54 Communists were killed. US losses were reported to be 19 killed and 33 wounded.

2. In a small-scale engagement 25 miles west-northwest of Saigon, elements of the US Army 25th Division yesterday attacked an unknown number of enemy troops, killing 26. No US casualties were reported.

3.

Early press reports suggest that a clash had developed late on 2 July between US Marines and an unknown enemy force near the DMZ which involved hand-to-hand fighting.

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The Opposition Comments on the Thieu-Ky Ticket

4. The announcement of the Thieu-Ky presidential slate has caused some disarray in the camps of the principal civilian opponents of a military-sponsored candidate. They apparently recognize that a new and significant development has occurred with the emergence of the Thieu-Ky ticket and some are already seeking alternate course of action. Perhaps the most sobering aspect for the civilian opposition is the fact that the military will now present a unified posture in the election, a situation which will work to their disadvantage.

5. On 1 July, Vo Long Trieu, campaign manager of Tran Van Huong, claimed that the Thieu-Ky development was not unexpected. However, Trieu was making plans to go to Vung Tau to see Huong to discuss the development and was blocking any access to Huong until after he had seen him.

6. Nguyen Van Ngai, supporter of presidential hopeful Ha Thuc Ky, in a conversation with a US Embassy official also professed no surprise at the new military ticket. However, Ngai predicted that the military would quickly start to fight among themselves again and that whatever unity had been achieved as a result of this latest move would disappear. He added that this new development might tend to bring the principal civilian candidates closer together since they would be facing a more formidable opponent in Thieu. He claimed that there had already been talks between Ha Thuc Ky and representatives of the tickets headed by Tran Van Huong and Phan Khac Suu apparently into win an agreement for Ky to become prime minister under one or the other. Ngai indicated that in both instances a number of outstanding points had so far barred any agreement among the principals.

"Big" Minh's Candidacy Accepted by the Provisional National Assembly

7. The special committee which received and reviewed applications from presidential candidates

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reported to the assembly the results of their findings on 1 July. During the case by case rundown of the applications it pointed out that Chief of State Thieu had sent a letter indicating that retired General Duong Van Minh would not be allowed back into the country by the generals because of security reasons. The committee unanimously decided not to discuss the letter since its mission was confined to checking on the completeness of the application. In Minh's case they passed on it favorably. The committee passed favorably on 18 of 19 slates. One minor candidate's application was dropped because it lacked sufficient documentation.

8. During the debate following the committee's report, Deputy Giap Van Thap argued that Minh was not a threat to national security, that a person of Minh's caliber should be permitted to test his strength at the polls, and that the assembly should press the generals to allow Minh to return to the country. Others who spoke after Thap said that the PNA's only task was to determine whether his application was in order so that his name could be posted as a candidate. In the subsequent voting 72 deputies of 85 present voted to post his slate.

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III. MILITARY DEVELOPMENTS IN NORTH VIETNAM

1. The heavy losses sustained by the North Vietnamese Air Force (NVAF) in recent months may have prompted the DRV to reduce the role of MIG fighters in its air defense system--at least until such time as it is able more effectively to oppose the US bombing program.

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If such a de-emphasis of fighter operations has taken place, it may be the result of a decision by the DRV leadership to cut its losses in the least productive and probably the most expensive portion of its air defense system.

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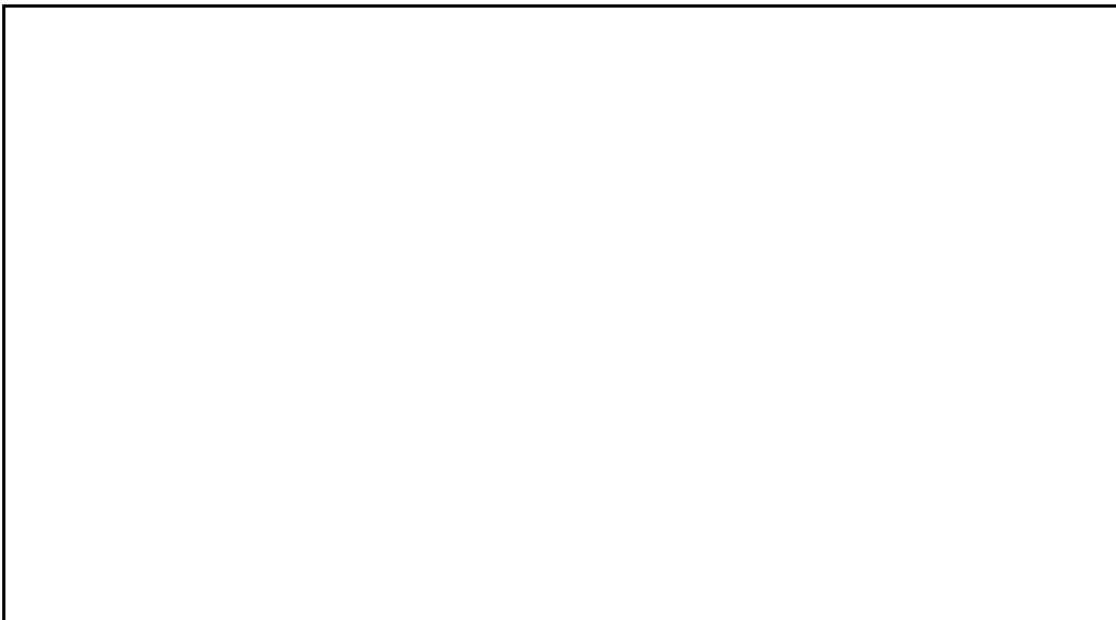
3. If the NVAF has sustained greater losses during the past few months than is currently believed, it is likely that these losses came as a result of the US air attacks on the fields at Kep and Hoa Lac. Pilot reports and poststrike photography of the numerous raids on these bases

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combined to indicate a total of nine MIGs destroyed on the ground. The estimate was complicated, however, by photography which was incomplete or obscured by smoke and dust in the aircraft parking areas. Moreover, the use of cluster bomb units may have rendered several MIGs inoperative which appeared in the photography to have been unscathed by the attacks.



5. US pilot reports during the month of June, however, clearly indicated that North Vietnam's MIGs have not been up in force to actively oppose US air raids. It is possible that the DRV has elected to hold back its fighter operations in favor of the more effective missile and antiaircraft artillery systems. North Vietnamese MIGs have accounted for only three percent of the total US aircraft shot down over the DRV, and more than 80 Communist aircraft have been lost in the process. Even the poor performance of the Soviet-supplied SAM system has been superior to that of the MIGs, and the missiles have had the added advantage of keeping US planes down at altitudes where conventional gunfire has been able to work with punishing effect.

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6. A recent article in a DRV military journal by the North Vietnamese chief of staff, General Van Thien Dung, supports the thesis that a de-emphasis of fighter operations and other sophisticated air defense weapons may be under way in favor of a reliance on more traditional systems. While the article may only constitute a propaganda document designed to commend DRV air defense achievements and to pay tribute to the party's military leadership, it emphasized the success North Vietnam has had with antiaircraft artillery and played down jet aircraft and missiles as "suitable only in some combat situations" and as having only "limited activity and effectiveness."

7. Any reduction in North Vietnamese MIG operations, however, may only be a temporary phenomenon. In the past the DRV Air Force has appeared to retire for short periods after receiving a severe beating and, having used the time to repair its aircraft and retrain its pilots, has returned to oppose US strikes with greater intensity.

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[REDACTED]

[REDACTED] For the present, however, North Vietnam appears uninterested in opposing the US aircraft attacking its territory with major MIG operations.

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